

Cleaning Fund Revenue in Taiz City

Wasted potentials and
promising opportunities

Policy Paper



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Executive Summary

Taiz city is suffering of the garbage accumulation problem and its resulting prevalence of diseases and epidemics, especially in rainfall seasons, where epidemics and different fevers spread rapidly and largely, Most notably is the Dengue Fever. The Cleaning and improvement fund suffers of several problems as many others governmental actors, which was further expanded because of the armed conflict in the governorate. One of the most significant problems is the weak collection of revenues which through their properly operationalization contributes in improving the situation of the Fund financial which is reflected directly in the improvement of its services.

The problem of weak collection for the Cleaning Fund resources in Taiz city wasn't new. It is a long-standing problem and the Cleaning Fund still suffered from its problem for seven years ago , where new branches have emerged for this problem . Rather than adoption a conventional collection system, a duplication of revenue collection among the Fund's management and the branches in the directorates was appeared because of the Fund ambiguity in the organizational structure , which contributed to the unclear relationship between public administration and the branches in the directorates and thus the lack of a clear of the responsibilities of each section; In addition to the lack of clarity of fees and the mechanism for collecting them. Hence, the task of collecting fees has become disorganized and indiscriminate.

The Fund relies on 85% of collection point revenue to save its resources. At present, what is collecting of fees does not reach to 50% of fees that is specified in accordance with the law. The absence of a clear vision of the role of the Fund's Board of Directors, which did not convent any meeting from 2015 until 2021, in addition to the poor oversight over the arrival of the Fund's revenues to the Bank during a long period, where the amount debt of fee collectors totaled to 100 million riyals, All of this resulted in a deterioration in the Fund's financial situation and weak cleaning and improvement services , so there requires a need that is clear and determined intervention by the authority and decision makers to improve and develop the mechanisms of collection, in proportion with the size and importance of Cleaning and improvement revenues, and introducing modern tools that reducing the random collection , reducing the waste of resources and contributing to improve the Fund's financial situation.

In this paper, we are trying to highlight over the negatives of the traditional system of collection and the weak oversight over it and also to expand the phenomenon of control and revenue acquisitions. At the end of the paper, we have developed a set of successful experiences in light of which we have also developed alternative solutions and recommendations that can be implemented on the ground to contribute to the solution of the problem.

Introduction

Revenues and collection fees are considered the fundamental engine that underlies the continued operation of Cleaning and Improvement Fund in the city, being an independent body that totally relies to fund its activities on the revenue from institutions and fees on local and imported products. As a result of the war in the country, there is a large gap arisen in the functioning of the Fund, while there was a larger gap the fund has suffered from since 2015. The division of the fund in the East and West of Taiz city has led to re-establish the fund in the city from a starting point , and to re-arrange its work under the scarcity of tools and equipment, including wastes containers and heavy equipment .The inadequacies in the mechanism of the revenue collection, the shortfall in operating expenses and the absence of a modern collection mechanism are all help in increasing the corruption widespread in Fund fees collection and widen the problem gap of ambiguity in the functions of the Fund's departments in the directorates.

This paper examines the problem and mechanism of Fund's revenues collection, including its results and effects - as wasted potential and promising opportunities -. As well, assesses their negative reflections for the work of the Fund, and provides the solutions and recommendations that contribute to improve the revenue collection mechanism and its actual implementation on reality.

In preparing the paper, the researchers adopted a scientific methodology for the collection of the primary and secondary information and data. In which they also conducted many interviews with the Fund's stakeholders and former officials of the cleaning fund management, and with investors, merchant and citizens, in addition to revise several previous reports and research related to the Fund's Revenue.

Cleaning and Improvement Fund during (2015- 2017)

Start from scratch

As many others governmental institutions that suffered in Taiz city, the Cleaning Fund also suffered from the imposed war consequences. By 2015 and 2016, the Fund came under the plunder and destruction for its buildings and equipment, the Fund's trucks fleet of 212 equipment was looted and only 9 of its equipment was left ⁽¹⁾. Additionally, the Fund's income considerably reduced, and even the Fund's revenue collected in 2015 amounted zero Riyal ⁽²⁾, due to the complete stopped of the Fund's activity during 2015.

Because of the armed conflict, the Fund's Assets were also significantly affected and damaged. In which the Assets damage varied including damage to buildings, while the Eng. Sam Al-Amamari ⁽³⁾ estimated the damage of the Cleaning and improvement project site in Al-qasr round (only one site) at a cost of 8,085,000 Yemeni Riyal, equivalent to 32.340 \$ (Considering that the exchange-rate is equal to 250 Riyal/\$ in 2016). Alongside the cost of damage in the rest of the buildings located in Al-kamb area, the Zoo in Al-Huban and other sites belonging to the Fund. The damage of the Fund's Assets had varied because of either the looting or damage caused by armed conflict. The total damage to some assets of the Cleaning and improvement fund in Taiz city during the armed conflict until 31 December 2017 can be summarized as follows: ⁽⁴⁾

No.	Damaged Assets	Cost Estimates of Damage		Notes
		Yemeni Riyal	USD	
1	Furniture	40.000.000	160.000	-160 thousand dollars, considering that the exchange-rate is equal to 250 Riyal/\$ in 2016
2	Machines	10.000.000	40.000	-40 thousand dollars, considering that the exchange-rate is equal to 250 Riyal/\$ in 2016
3	Vehicles and Transportation	799.750.000	3.199.000	-Considering that the exchange-rate is equal to 250 Riyal/\$ in 2016. -64 of the Fund's vehicles and means of transportation came under a total damage (looting and destruction), and the rest equipment became run-down, its maintenance costs are very high too.

Table (1) shows the total damage of Cleaning and Improvement Fund Assets in Taiz, during the armed conflict until 31 December 2017. ⁽⁵⁾

1 Ammar Al-Sawaei , et al., Report: Monitoring of armed conflict damage on Public Services - Taiz . Resource Foundation for Development and Human Rights, Taiz City, 2018

2 Ibid., Ammar Al-Sawaei , et al.

3 Ibid., Ammar Al-Sawaei , et al.

4 Ibid., Ammar Al-Sawaei , et al.

5 Ibid., Ammar Al-Sawaei , et al.

In a year after the war, exactly in the mid-2016, when the partial return of state institutions, the Cleaning and Improvement Fund has returned to work too, but by very limited possibilities and by an absence of equipment, human and financial resources.

The Fund's activities from the year of 2016 to 2017 were limited in:

- Carrying out works of sweeping
- Collection and deportation of waste
- Painting the necessary high street pavements
- The developing of alternative garbage dumps although they are inappropriate due to: it's close to the residential areas and affecting residents, the elimination of a tourist and an investment project (Al-Saleh Chalet & Garden) and damaging the water basin that recharges Taiz city.

The Cleaning Fund initially relied on organizations to cover its needed requirements and expenses to perform its tasks. The Fund management and local authorities in the governorate made all efforts to reorganize and re-construct the Fund after its collapsing due to war, It began to recall cleaners, maintain equipment and activate the Fund's revenue collection process. During 2016, The Cleaning Fund collected some of its own income to cover some of its operating expenses. However, the total revenue collected during that year was no more than 13 million Yemeni Riyals. With regard to the year 2017, the income was no more than 76 million Yemeni Riyals, but those revenue still little and inadequate to cover even a small part of the Fund operating expenses. ⁽⁶⁾

The estimated loss on the State treasury during the years of armed conflict in (2015-2017) was approximately (1,731.758.451 Yemeni Riyals) owing to the late missed of collecting the Fund to its revenue. The following table shows the expected revenues during the armed conflict years from 2015 to 2017 based on the revenue in the year 2014: ⁽⁷⁾

Revenues	Expected Revenues 2015	Expected Revenues 2016	Expected Revenues 2017	Total by Riyals
Revenue during a year	597.906.050	606.874.641	615.977.760	1.820.758.451
Minus the actual income collected during a year	Zero	13.000.000	76.000.000	89.000.000
Total	597.906.505	593.874.641	539.977.760	1.731.758.451

Table (2) shows the amount of missed income during the period of armed conflict 2015 – 2017⁽⁸⁾

6 Ibid., Ammar Al-Sawaei , et al.

7 Ibid., Ammar Al-Sawaei , et al.

8 Ibid., Ammar Al-Sawaei , et al.

The Cleaning Fund has been able to gradually develop and recover but it still suffering and facing many difficulties, the most of those prominent challenges which have greatly contribute in the obstruction of functioning the Fund's administrative and service activities ⁽⁹⁾:

- The Fund's fixed assets of machines, equipment and buildings are under plunder and destruction.
- Inability to access to the garbage dump because it is being located after the frontlines.
- The Fund's lack of equipment and mechanisms for the collection and deportation of waste.
- The stop payment of employees' wages and salaries.
- The lack of human resources and leadership cadres in the Fund's departments and sectors.
- Preference the daily-wages workers with limited experiences upon official workers contributed to appear the non-existent workers (mock workers).
- The decrease collection of the fund's revenues, which in case it is addressed and found modern mechanisms for collection fees and follow-up, the fund will reach a state of self-sufficiency, effective services delivery and possibility in providing the equipment and tools requirements.
- The absence of coordination among the fund's executive management and the branches in the districts.

9 Shehab Al-Buraihi, Taiz city. An open dump for garbage and waste, policy paper, Resonate Yemen! , Taiz , May 2019.

The Fund's Revenues

According to article 11 Resolution 20 for 1999, on the establishment of the Cleaning and Improvement Funds ⁽¹⁰⁾, the Fund's revenues represented by:

- Cleaning fees are collected from shops and various facilities
- Improvement fees collected as a proportion of services.
- The various advertising revenues in street facades and public areas.
- Donations and contribution supplied by individuals, bodies, local and international organizations for the Cleaning Fund.
- Approved amounts in the state's general budget

Therefore, The Fund relies on providing its revenue upon goods entering the city through the collection points (Al-Turba - Al-Missrakh) by 85%. In addition to revenues collected through the main directorates (Al-Mudhaffer - Al-Qahera - Salah) and support amounts if available.

According to the examination report and reviewing the documents for the Cleaning and Improvement Fund of the year 2019 to October 2020, issued by the Finance Office, the most prominent results and observations are summed in the following:

- When the documents of 2019 were requested in order to review, the assigned members were informed that all financial year of 2019 - documents were delivered to the assigned committee on review and audit , by The Central Organization for Control and Accounting (COCA). Therefore, the assigned members reviewed and examined only the 2020 financial year documents.
- The Fund's Revenue during January-November 2020 amounted to (698,819,476) Riyals from the points and secondary branches.
- There is no connect between the expected revenues and their matched with actual collections during the year 2020.
- The inability and lack of revenue collection system in the Fund on the control accompanying and subsequent when revenue collection.
- The special guarantees for the cashier, trucks recipients and collectors were not given to the members mandated.
- The revenue of the current activity, points and secondary branches collected for the period January-October 2020 according to the record provided by the revenue section amounted to about (297,494,729) Riyals, and the amount of revenue according to the record withdrawn from the accounting manual of the accounts manager about (298,138,462) Riyals until the end of November 2020, while the amount collected with the cashier to October about (21,309,100) Riyals.

¹⁰ Article 11 of Presidential Decree No. 20 of 1999 - The law on Establishing the Cleaning and Improvement of Cities Funds.

- The remain of administrative leaderships despite all irresponsible behaviors practiced by them or their bosses without taking any legal measures against them, rather keeping them with some useless corrections, such as transferring the director of Al-Missrakh Branch to the Public Finances Prosecution, but he is still working.
- The complete hiding of international organizations' support.
- The interference of the fund's staff in financial management, which caused a confusion among the financial staff during working, in addition to the many assaults on them.
- The absence of a database governing contractual follow-up process and the payment of employees' and contractors' salaries mechanism.
- There are secondary branches which never supply fees while some others supply but just in few amounts of fees and directly work on spending of revenue.

According to the statement of Abdullah Jassar - the former manager of the cleaning fund - told a news website in April 2021, he reported that the fund's revenue during a month is between 47 million and rises to 55 million per month as follows ⁽¹¹⁾:

- The revenue of points are between 42 million and 47 million per month and sometimes are decreased due to the status of the Haijat Al-Abd road or the alternative road as well as Al-Akrodh road.
- The revenues of branches amount to 3 million, as well as the deportation fees, rents, fines, infractions and other revenue.

11 Al-Raseef Press Website , Abdullah Jassar- the former manager of the Cleaning fund - explained the continued accumulation of garbage, Taiz City, May 2021. https://alraseefpress.net/?p=news_details&id=8269

The following table reviews the revenues collected and actual during 2015 – 2022

Year	Total revenue collected from points in million Riyals	Total actual revenue of the Fund in Riyal ⁽¹²⁾	Notes
2015	Zero ⁽¹³⁾	-	
2016	13 ⁽¹⁴⁾	-	
2017	76 ⁽¹⁵⁾	878,832,845 ⁽¹⁶⁾	
2018	74 ⁽¹⁷⁾	749,449,806 ⁽¹⁸⁾	Revenues amounted to 333.396.351 ⁽¹⁹⁾
2019	231 ⁽²⁰⁾	2,385,955,536 ⁽²¹⁾	Only 205,035,803 Yemeni Riyal ⁽²²⁾ was supplied during the period January - April 2019 to the Fund's account
2020	80 ⁽²³⁾	2,698,082,488 ⁽²⁴⁾	80 million Riyal had been collected in the first quarter of 2020
2021			There is no published statistic on the actual revenue during 2021, but according to the sector's estimate of total resources for 2021, it will be amounted to 2,623,020,186 Yemeni Riyal
2022	20,153,210 ⁽²⁵⁾		

Table No. 3 shows the amount of income collected from the points and actual revenue during the period 2015 - 2021

According to the statement of Sameer Esmael - the current manager of the cleaning fund - appointed by the resolution of the governor of Taiz province /Nabil Shamsan No. (60) of 2022 on 05/06/2022. In an interview with the researchers, he reported that the revenues of the Cleaning and improvement fund amounted to:

- During May 67 million and 23 million suppliers to the Bank
- During May-October 2022, the monthly revenues amounted to 50-96 million per month.
- There is a significant improvement in revenues by 60% as the point revenue of Al-Aqrood road during July was 16 million Riyal, whereas, Al-Turba point was between 30 to 35 million Riyal, and now the revenue of Al- Aqrood is up to 30 million Riyal, and Al-Turba point is up to 60 million Riyal.

12 According to a meeting with a member of the Fund Management Council

13 Ibid., Ammar Al-Sawa'ei , et al.

14 Wissam Mohammed & Mohamed Alwateeri, The continuing Accumulation of Waste in Taiz city Policy Paper, Peace School Organization & Friedrich Ebert, Yemen, 2020

15 Ibid., Wissam Mohammed & Mohamed Alwateeri.

16 According to a document obtained by the researchers.

17 Ibid., Wissam Mohammed & Mohamed Alwateeri.

18 According to a document obtained by the researchers.

19 Ibid., Shehab Al-Buraihi.

20 Ibid., Wissam Mohammed & Mohamed Alwateeri.

21 According to a document obtained by the researchers.

22 According to a document obtained by the researchers.

23 Ibid., Wissam Mohammed & Mohamed Alwateeri.

24 According to a document obtained by the researchers.

25 Total fees collected in points, according to a document obtained by the researchers.

- The revenues collected from the points during August amounted to 96 million Riyal, whereas the actual supplied to the Bank was 93 million Riyal and 3 million Riyal was looted, and the fee collector was referred to the Public Finances Prosecution.
- Previously, about 1 million to 1 million and 200 thousand was being collected from Al-Turbah point per day, but now the revenue is averaging 1 million and 800 thousand to 2 million per day.
- For the first time, about 4 million is being supplied from Al-Ma'affer district to the Fund's Account.
- Previously, about 6 million Riyals was being collected from Al-Mudhaffer district per year, but now about 30 million is being supplied from Al-Mudhaffer per year, and 1 million from Al-Qahera district.

From all the above, we note a conflicting in the stated information about the revenue during the period (2015 - March 2022) as we have seen a slow change and recovery in revenue collection from year to year due to actions taken by the Fund's management and local authority that have contributed to addressing many problems related to this aspect, such as: Non-supply of improvement fees collected by the Fund's branches in the directorates to the Cleaning Fund Account in the Central Bank, this is due the lack of coordination between the Fund Executive Management and the branches in the directorates, as well as the unclear of the branches functions. As well as, the domination of some gunmen the revenues of the vegetable and Qat markets ...etc.

In addition to activating the fees of waste deportation from restaurants, hospitals and commercial centers. The political and security situation stability which has played a significant role in improving revenue collection, since Samir Ismail took the Fund Management, in which the collected monthly revenues of over 100 million Riyals per month. ⁽²⁶⁾

26 According to the researchers' meeting with a member of the Fund Management Council

The imbalance and obstacles of collection

The Fund's Revenues are derived from collection points located on the city entrances and fees collected by the Fund's branches in the directorates. This way has been in operation for over 20 years, but it creates many problems because it has become old and it weakens the Fund's ability to follow-up the revenue collection and make many difficulties in the actual and realistic follow-up process in collecting the revenues .

The following table shows the collection cost and the Fund's burden when collecting the revenues from points:

Amount/ratio	Statement	Notes
5%	collection commission	According to the statement of Sameer Ismail - the manager of the cleaning fund- it will be raised to 7% in the coming months
10.000 Yemeni Riyals	daily expenses per fee collector	There are 10 of fee collectors per collection point
The amounts are unspecified	rewards for fee collectors	-
50.000 Yemeni Riyals	devoted for security protection to fee collectors	Not stable - daily paid
The amounts are unspecified	per diem for fee collectors	daily paid

Table No. (4) shows daily expenses of fee collectors and security expenses to collect revenue in points ⁽²⁷⁾

From the previous table we conclude:

- The daily expenses and security expenses of fee collectors are unstable and unspecified.
- Expenses vary from day to day depending on the number of fee collectors on the level of one point and on the level of all points.
- The used collection method is costly and drains a large amount of the revenues.
- There is a human overcrowding and an excessive increase in the number of fee collectors at the collection points. And this wastes the resources and loads the Fund's with burdens and expenses which are not necessary, while the suitable number is estimated at 4 fee collectors (2 at night and 2 at daylight).
- The lack of a clear financial regulation specifying in general the mechanism for the disbursement of rewards in the Fund for the fee collectors or the employees themselves.
- The amounts that the fee collectors obtain as per diem are unspecified its distribution mechanism.

²⁷ According to a member of the Fund Management Council.

- The procedures of fee collecting are easy ways to spread corruption, embezzlement, manipulation of amounts that collected and non-supply of actual of amounts that collected.
- The collections officer may delay the supply amounts to the Fund Central Bank or the direct disbursement from it, this is really occurred on May 19, 2022. As the governor of Taiz province referred the collection officer to the Investigation and suspended him from working because of the amounts non-supply to the Fund's account ⁽²⁸⁾, plus the fact that, the fee collectors are considered to be contractors of the Fund not official staff.

The exploitation of the Fund's fee collectors what mentioned in article 1, paragraph (16) of the Council of Ministers Decision No. (33) of 2021 on the amendment of the Cleaning and Improvement Fees' Bases Values.

especially, the fee contained in the resolution as "(Companies' and Factories' fees etc.) due to its negatively interpreted and it prepared a contrary classification to the article, which compromised the Fund's relationship with a large number of financiers (investors), where documents and information revealed that the fund imposed an illegal levy amounted to Millions of Rials on shops and academic institutes. The documents also indicated that, for the first time the Cleaning Fund imposed annual fees form some shops, such as: 1 million Yemeni Riyals from the British Centre for Training, 720 thousand Yemeni Riyals from the Restaurant of Wadham, as well as 720 thousand Yemeni Riyals from one of the city's cafe. The Chamber of Commerce in Taiz has regarded these fees as illegal and is not based on any legal justification.

According to Mohammed Al-Sagheer, the Vice President of Taiz Chamber of Commerce, in a letter addressed to the Governor of Taiz Governorate ⁽²⁹⁾, noting the interpretation of resolution 33 of 2021 prohibiting the cleaning fund from collecting any fees from shops other than advertising and promotions fees.

According to documents issued by the Fund obtained by the researchers, there are other imbalances that have led to the lost and wasted of revenues such as:

- Some equipment drivers deport the waste of some shops and hospitals without official bonds
- Decrease in the amounts supplied by some government offices such as the Immigration and Passports Office and the Civil Status Office
- Some general directors of all directorates collect cleaning fees for local councils and secondary directorates and refuse to supply them to the public administration or to the Fund's central bank account, for example, what happened between the Fund's management and Al-Mudhafer Directorate during 2018, ⁽³⁰⁾ which is confirmed by a document obtained by the researchers stating that the main and secondary branches failure in supplying the revenue to the central bank.

28 Alharf28.com <https://alharf28.com/p-76066>

29 Moka News Agency, March 2022 <https://mokaagency.com/news3484.html>

30 Taiz Youth Consultation Report - The team of Revenue, 2021.

- Significant weakness in the income collected by the Fund branch in Al-Qahera district during 2019 and their failure in collecting all revenue bases accrued for the Fund.
- The absence of judicial control in liberating the offences against the shops owners offenders, who throw their wastes on the street sidewalks, thus not collecting such fees and not supplying them to the Central Bank.
- Duplication of collection, and this mainly due to the absence of authority role as a result of the war and the emergence of armed parties are powered by the powerful men, according to an in-person interview with the former director of the Cleaning and Improvement Fund
- The continued collection that is unspecified in its value or ratio, which are left to rough estimates in parks, highlands, squares, outlets and public streets with unofficial bonds by contractors or unofficial persons, lead to the capture of the Fund's resources and its deprivation of them.
- The armed groups constituted a real obstacle to the collection of the cleaning fund's revenues from merchants and investors during 2016-2017, resulting in a low collection rate. ⁽³¹⁾
- According to previous reports obtained by the researchers, some of the powerful persons who affiliated with the local authority printed unofficial and unnumbered collection vouchers and used them to collect fees in large amounts exceeding 200 Million Riyals from the revenues of the Cleaning fund, ⁽³²⁾In addition to the discovery of unofficial printed vouchers for unofficial fee collector who collect the Fund's income in Saber Al-Mawadim district for his personal account. ⁽³³⁾

According to a document issued by the Finance Office summarizing the most significant financial irregularities from January to October 2020:

- Non-activation of work in all managements and departments.
- Failure to enable the financial representatives to oversee the support provided by the organizations.
- Fee collectors do not supply income gradually to the Fund's accounts, but even they disburse from the daily fee collected to meet collections and security expenses directly from the supplier
- The Fund's neglect of most of the revenue bases and the lack of mechanism for collecting and controlling them

31 Ibid., Hussain Almaktari.

32 According to a report, the researchers obtained a copy of it.

33 Taiz Youth Consultation Report - The team of Revenue, 2021.

- There are amounts left on the cashier and fee collectors until the end of November 2020 in a total amount (45,187,772 million Riyals).
- The Fund's direct disbursement of income collected to meet operational and emergency expenses.
- The random method in disbursement without attaching supporting documents.
- The random method in disburse the bonuses and additional which is illegal and to non-Fund staff.
- No remedial action has been taken for the financial imbalances contained in previous reports from the Central Agency or the Finance Office.
- Failure to follow the legal procedures in procurement process.
- Non-signature of all disbursement authorized persons in the exchange forms and the bonds of collection and supply.
- No internal oversight director.
- No gradual entry in the accounting records and incomplete documentary cycle.
- The absence of a financial regulation that specifying the monthly fixed expenses and the incentives of the Fund's leadership and staff.

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**Most of the
 Fund's legal
 revenue we
 are not able
 to collect
 until now**
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These imbalances have had a direct impact not only in the waste of resources, but also in its diversion and manipulation of it, in addition to widespread of corruption and burdening of citizens with illegal royalties. The accountability is imposed to whom do not follow up and control the use of official bonds and permitting the use of illegal bonds.

The Revenues Decline

Most of the Fund's legal revenues cannot be collected. All stakeholders know this including the Central Organization for Control and Accounting (COCA), the Financial Office and the local authority, for example: The market revenues collected by persons unrelated to the Cleaning fund and supported by powerful actors, the advertising and promotions fees, electricity fees amounting to huge sums, the fees of contraband cigarettes , oil derivatives fees, fees of the removal of waste, and other income bases despite the continuous follow-up and guidance "Abdullah Jassar".⁽³⁴⁾

The Cleaning Fund relied on commercial companies and factories as a primary source of revenue, but due to the Fund's partial division which happened because of the war , companies and factories were supplying the fees to the account of the Cleaning and Improvement Fund in Al-Hawban area which is under the control of "Ansar Allah" , thereby depriving the Cleaning and improvement fund in Taiz city of these revenues, in addition to the stopped of central support which was reaching to 100 million Riyals per month,⁽³⁵⁾ and the war has contributed to the discontinuation of the improvement collection fees for public services such as electricity and water, which considered the most essential of the Fund's resources. Not to mention, some of the Fund's revenues are captured and not supplied to the Fund's central bank account, such as Cleaning fees in directorates and markets rents, where they supply them to the local councils account in those directorates, rather than to the Fund's account. Some armed persons are also controlling the public markets and collect Cleaning fees for their personal accounts.⁽³⁶⁾

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**Money is
 delivered to
 the collector
 or to
 individuals at
 the collection
 points for
 transit and
 without any
 official bond**
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During the researchers' meeting with one of the drivers of the transfer trucks, he said: "The suffering lies in the absence of legal bonds , instead the fee collectors have illegal bonds at the points, where fees is delivered to the fees collector or to the individuals at the collection points for transit and without any official bond, and if there would be an official bond, for example, in the amount of 20,000 Riyals, only a bond by 10,000 Riyals would be issue by the fees collector , and the other 10,000 Riyals would be taken for the collector's personal account without any bond, and then the driver of the truck would be stopped at another points to extort by requesting sums of additional money . During 2022 the collection process improved somewhat, in addition to the responsiveness of traders and the payment of fees without delay, But the improvement fees for some goods need to be reviewed for its value."⁽³⁷⁾

34 Ibid., Al-Raseef Press Website , Abdullah Jassar- the former manager of the Cleaning fund.

35 Ibid., Al-Raseef Press Website , Abdullah Jassar- the former manager of the Cleaning fund.

36 Ibid., Al-Raseef Press Website , Abdullah Jassar- the former manager of the Cleaning fund.

37 Interview with Salah Al-Rahal, spokesman for the transfer drivers and is the driver of a transfer truck, Taiz.

The most important reasons for the decline in revenue are:

- The Revenue Bases Lack: Where the Fund was owning a 26 of income source, and currently they are only 13. ⁽³⁸⁾
- Taking over some of the Fund's sources income by force men. ⁽³⁹⁾
- The collection of Cleaning and improvement fees for the accounts of the local councils. By the first quarter of 2019, the revenue of fund's branch in Al-Muddhafer directorate amounted to more than 4 million Riyals, whereas the total amount supplied by the fund branch in Al-qahera directorate from January to the end of April 2019 was only 772,773 Riyals. ⁽⁴⁰⁾
- The fee collectors' lack of security protection ⁽⁴¹⁾: Some security points existed on the Line of Taiz - Al-Turba, that prevent the employees of revenue collection to collect fees from some trucks loaded with goods, because the individuals of the security points want to collect and supply fees to their own accounts. Other security points also smuggle some goods trucks (cigarettes, medicines, fertilizers, oil derivatives) from collection points in exchange for getting money from them up to 40 million Riyals per day. The collection team also faces a lack of protection during the collector's revenue collection, which makes them under attacks and abuses during collecting in markets and points and those attacks may amount to plunder and violence.
- There are uncollected revenues such as: commercial electricity companies' revenues estimated at 5% of kilowatt value (for information, the price per kilowatt is 1,000 Yemeni Riyals until the preparation of this paper), advertising and promotions revenues, market revenues (Qat, vegetables, fish), and gas revenues.

38 Ibid., Shehab Al-Buraihi.

39 Ibid., Shehab Al-Buraihi.

40 According to an issued document obtained by the researchers.

41 Ibid., Shehab Al-Buraihi.

Accumulated Expenses and Benefits

According to the examination report and reviewing the documents for the Cleaning and Improvement Fund of the year 2019 to October 2020, issued by the Finance Office, the most prominent results and observations are summed in the following:

- Total expenses during January-November 2020 reached to 1,237,568,083 Yemeni Riyals.
- The expenses are being randomly dispensed due to the lack of regulations governing the exchange process, and there is no estimated operating budget too.
- The organizations' amounts support are being directly dispensed, without any supply to the Fund account.
- The rewards' amounts are being dispensed without an organizing regulation.
- The additional allowance is being paid without reference to the governed regulations.
- In spite of the absence of an operational budget, the financial assistance is being dispensed.
- The rewards are being dispensed to employees who are not belong to the Fund.

According to the statement of Abdullah Jassar - the former manager of the cleaning fund - told a news website (4) in April 2021, he reported that the fund's revenue during a month is 64 million Riyals and more, some of them ⁽⁴²⁾:

- About 2,220,000 Riyals is the workers' wages in the cleaning project. A 20,000,000 million Riyals are being dispensed to burn the Cleaning equipment, About 3,000,000 Million Riyals to purchase the Cleaning tools and spare parts for maintenance of Cleaning equipment, About 1,500,000 Million Riyals for rents (project square, general administration office, garbage dump)
- Rewards for the staff of the Fund General Administration, as well as for rent in order to exploration and reclamation the garbage dumps, for the wages of points' fee collectors and the security personnel cooperating with them at the points of Bani-Ghazi and Al-Missrakh.
- The expenses of improvement and afforestation works, the operating expenses for branches (Al-Muddhafer - Al-Qahera - Salah), for follow-up the salaries of workers in Aden, the wages guarding of the waste dump, as well as for additional works and printing supplies, compensation, treatment assistance for workers and other expenses. With a deficit of approximately 13 million Riyals per month.
- Jassar added, " For this, I clarify that workers working in the field with project management receive weekly dues of up to 22.200.000 Million Riyals and all that from the Fund's available revenue, in addition to the expenses described above.

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The fund's revenue during a month reach up to 64 million Riyals and more.
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42 Ibid., Al-Raseef Press Website , Abdullah Jassar- the former manager of the Cleaning fund.

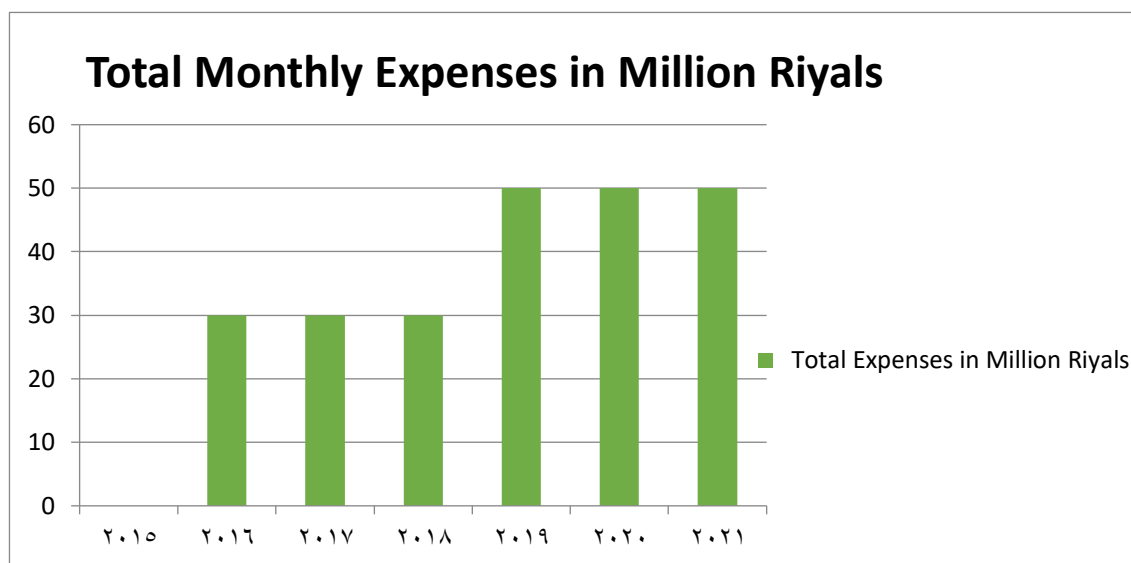


Chart No. 1 shows the amount of monthly expenses during 2015-2021. ⁽⁴³⁾

According to the previous chart, the Fund's main expenses from 2016 to November 2018 reached to 30 million Yemeni Riyals per month, distributed as follows ⁽⁴⁴⁾:

- 15 million Riyals for the salaries of workers and cleaners.
- 10 million for fuel.
- 5 million Riyals for Maintenance & Rent.
- By 2019, the Fund had received new equipment in the amount of 525 Yemeni million, and its activity had expanded and the revenue rate had risen to total Fund expenses of 50 million Yemeni Riyals per month. ⁽⁴⁵⁾

With regard to expenses, Samir Ismail has clarified:

- Expenses during March, April, May 2022 amounted to 130 to 140 million Riyals
- Monthly expenses 30 - 40 million Riyals for diesel and 45 million riyals for salaries and rewards, incentive and maintenance expenses.
- Deportation workers' salaries, the highest at 220 thousand Riyals and the lowest at 85 thousand Riyals.
- There is a deficit in operating expenses, fixed assets need to increase 2 compressors, and 150 barrels.
- We increased the workers' salaries by 10% of the diesel sum.
- About 3,500,000 million Riyals have dispensed for the Cleaning fund in Al-Ma'afer Directorate.

⁴³ A permit of a former employee of the Fund's Revenue section.

⁴⁴ An interview with Omar Al-Hemairi, human rights activist, Taiz City.

⁴⁵ Ibid., Omar Al-Hemairi.

- About 2 million Riyals of the Fund's revenues in Al-Makha directorate been dispensed on the league sports event and purchasing prizes and cups for the winning teams.
- In May 2022, about 28 Million Riyals been dispensed for the Cleaning project, 25 Million Riyals for workers' wages, and now 44 Million Riyals which is 9 million less than it used to be dispensed - and the difference in Cleaning can be noted
- About 125 million Riyals is an accumulated debt on the former fund's administration, that is the value of tires, fuel, etc., and the administration has begun to repay part of that debt.

The Fund's continued collection by relying on traditional and paper collection procedures to collect Cleaning and improvement fees means the continued of the problem of wasting revenues, wasting its resources and making it difficult to monitor it. A new collection mechanism must be developed, while using available international or local experiences to develop an electronic collection system, which contributes to: ease the collection process by following a clear and specific new mechanism, saving time, effort and costs, reducing the operations, increasing control over revenue collection, fighting corruption and enhancing transparency, ensuring citizens' rights and avoiding extortion.

Current Policies of Official Bodies

Resolutions and laws relevant to the problem

- Article 11 of Republican Decree No. (20) of 1999 - The Law on the Establishment of Cleaning and Improvement of Cities Funds.
- Prime Minister's Decision No. 283 of 2001 on determining the values of local fee receptacles provided in article 123 of the Local Authority Law No. 4 of 2000.
- In October 2021, the Council of Ministers adopted Decree No. 33 of 2021 amending the values of the receptacles of Cleaning and improvement fees.
- The explanatory mechanism governing the collection and supply of Cleaning and improvement fees for the two items (4- 5) in paragraph (1) of Council of Ministers Decision No. 33 of 2021, some of which are shown in the following table.

Fees Type	Recent Values (⁴⁶)	Value after reviewing by the Committee in charge of Council of Ministers Order No. 33 of 2021 (⁴⁷)		Collection Period	Notes
On each carton or imported parcel	5 Riyals	20 Riyals		Unit	
Hotels by class	5000 - 40,000	Class A	120,000	Per year	
		Class b	80,000		
		Class c	60,000		
Restaurants by class	2000 - 6000	Class A	120,000	Per 3 months	
		Class b	80,000		
		Class c	60,000		
Hospitals and Clinics	5000 - 10000	7000 - 20000		Per month	Minimum, less than 10 households maximum, of 10 families and upper
On each local or imported cement bag	10	50		Unit	Fees vary based on type of item

Table No. (5) shows the values of some receptacles of previous and adjusted Cleaning and improvement fees in 2021

⁴⁶ Ibid., Prime Minister's Decision No. 283 of 2001.

⁴⁷ Council of Ministers, Decree No. (33) of 2021 on adjustment of the values of receptacles of Cleaning and improvement fees, October 2021.

- Work is carried out in accordance with Regulations and Law No. 33 of 2021 to raise collection fees for importers and local factories and not for merchants. The Fund works to collect income from private institutions and facilities at random, with failure implementation of the decision and with weak revenues due to the lack of control over the collection mechanism.

In accordance with the interpretative mechanism of Prime Minister's Decision No. 33, which stipulates:

- The Fund prohibits the collection of revenues from shops in city capitals that sell local or imported items because it is already collected.
- In accordance with section 20 of Decree No. 33 of 2021, collecting revenue fees are prevented from pharmacies stores that sell local or imported medicines and. The fees are set for private offices and clinics.
- 5% of the electricity value should be collected.
- The Fund's leadership and the official collectors are prevented directly to dispense the revenues before supplying to the Bank, due to the lack of oversight over resources and the continuing using of the traditional and paper collection process. ⁽⁴⁸⁾

In an interview with one of the drivers of goods transport trucks, he said: "The suffering lies in the absence of legal collection vouchers, but rather illegal collection vouchers at the points. We are forced to pay money to the collector or individuals at the collection point in return for allowing us to cross.

Sometimes, we come across a process Collection with official bonds, but they give us vouchers of 50% of the amount paid to them, and they take the difference for their own account, and if we object to their behavior, they stop us at these points for periods ranging from hours to days".

During the year 2022, the collection process has improved relatively compared to the previous uncle. Addition In addition, there is a response from traders to pay fees to manage the fund without delay, but some improvement fees on commodities still need to be reviewed for their value.

The official authorities in the governorate have also taken some measures to deal with the problem, notably:

- The local authority in Taiz governorate provided monetary support to the Fund during 2018 by 100,000,000 million Yemeni riyals, used to complete the procedures for the payment of workers' salaries and employees of the Cleaning and Improvement Fund at the Ministry of Finance in the temporary capital of Aden.
- Provision of government support to the Fund during 2019 by 45. 000. 000 million Yemeni Riyals. In addition to providing new equipment by 525 million Riyals.

48 Ibid., Hussain Almaktari.

- Recycling the agents of Taiz Governor and freeing the cleaning fund from direct supervision by some agents and diminishing their influence of controlling the fund's revenues and disposal mechanism.
- New personalities are appointed to oversee the Fund's work as a supervisory body from the Fund's cadres.
- Assign a follower to monitor collection bonds.
- Change the fee collectors and refer the violators to the Public Finances Prosecution Office.
- Taking corrective action against corruption and regulating the process of diesel dispensing.
- Organize the revenue deposit process through supply portfolios that are cut from the Fund's general management.
- Meeting of the Fund's Board of Directors for the first time since 2015 to 2022.

Based on previous procedures, we conclude that:

- The support provided has not been utilized to improve the revenue collection mechanism.
- No plans or solutions have been submitted rise to the level of support provided
- The lack of comprehensive and clear strategic plans to accommodate and leverage changes and support in improving collection and expenses control plans in the fund.
- The absence of a qualified management staff with the ability to manage crises.
- Random work in local authority and Cleaning and improvement fund
- The control of force men over the collection of the Fund's income
- Management leaders remain in their position despite misconduct and serious mistakes they practice.

Experiences and practices (Local /International)

The Egyptian experience ⁽⁴⁹⁾

Before 2021 resolution, Egypt suffered from the random collection of revenues solid waste lifting fees as a result of its connection with electricity charges. Since the beginning of 2021, Egypt has taken a new policy to collect the revenues from Cleaning and solid waste fees, which were previously linked to electricity charges in a holistic manner and are subject to one management. In the same time, it seeks to the institution autonomy of the waste management which is "Environmental Development" as a similar institution to the Cleaning and Improvement Fund in Yemen, but what distinguishes the Republic of Egypt is that the Ministry of Environmental Development has introduced a new law that meets the needs of the region and the work of waste management and maintains the cleaning revenues to improve the quality of environmental Cleaning, it legalizes the following:

- Set a ratio of cleaning fees starting from 4 - 40 pounds per month for private and public institutions (hospitals, schools, universities, parks, palaces, all government institutions).
- About 10 pounds for cleaning fees from the citizens, according to the residential site and depending on the amount of electricity consumption.
- widen the scope of collection to form all sectors and regions.
- Fees collection from 30 to 1000 Pound per month for independent commercial units and used units for occupational activities and free enterprise.
- The system of gradual is used in the application of fees according to the monthly electricity consumption segments of citizens was followed to achieve the social dimension of the conditions of citizens
- The monthly fees for the integrated management of the solid waste system "Cleaning fund" are collected by the department or its representatives from the public or private sector for collection, and collected electronically through digital connectivity between the facility and the administrative entity.

49 Masrawi Site, March 2022 https://www.masrawy.com/news/news_egypt/details/2022/3/1/2184096

Cleaning & Improvement Fund Experience - Sana 'a Governorate ⁽⁵⁰⁾

With the division of funds between the war parties, all of them were practicing the traditional mechanism of the collection process, but the cleaning fund in Sana 'a worked independently to develop a revenue collection mechanism since 2021. It issued a decision to raise all points of collection of fund fees from the roads to be collected automatically through the Customs Authority at Customs ports in respect of all imported goods; In addition to developing a modern mechanism for the development of the mechanism for the collection of local fees according to a precise and appropriate framework based on an electronic system.

Cleaning and Improvement Fund Experience - Taiz Governorate - before the war

Before the war, a lump-sum was approved on containers entering the city depending on the size of the container (20 or 40 feet), whatever the load size of the container (i.e. not to count the loaded cartons),

Previous experiences can be used as follows:

- Imposed the Cleaning and improvement fees according to the amount of waste generated by public or private facilities and institutions.
- Develop a revenue collection mechanism with a specific electronic system linked to a unified account in all government, private or public banks.
- Periodically control on the collection mechanism.
- Review the collection period and amend it to become a monthly collection period to reduce manipulation and evasion of payment of fees or search for discounts or other problems.
- Adopt a lump-sum on trucks loaded with materials entering the city depending on the size and capacity of the truck, and cancel the counting of cartons to avoid corruption.

50 Saba Site <https://www.saba.ye/ar/news3152776.htm>

The solutions

To develop a solution that contributes to improving the collection of the Fund's revenues and achieving greater control over the collection process, the following priorities must be taken into account:

- Imposing fines for offenders who don't serve official bond when transporting the goods.
- There are wasteful and uncollected resources, consisting of electricity fees, advertising and promotions fees collected by The Office of Public Works, improvement fees provided to the local councils as fees, gas fees, and must work to find a clear mechanism for collecting these fees.
- Monitoring the collection mechanism by: coordinating with the relevant bodies to install special surveillance cameras of the Fund that contribute to prevent corruption, authorizing an observer on the collection bonds to fight corruption. The researchers suggest that the observer be stationed at the top of Najd Qussaim, because it is meeting point between the city's entrances: Al-Aqrood, Al-Huban, Al-Turba, Aden.
- Activate judicial control for all offenders and latecomers in paying the Fund's fees.
- Issuing a decision by the Prime Minister on the proceeds of advertising and promotions.
- Opening accounts with a unified number in all banks and linking them to the fund account in the central bank to facilitate the revenue of collection process.
- Collect the fees per month instead of per year as a result of changes in circumstances surrounding economic, social and political conditions.
- Electronic collection of the Fund's revenues through the design of an electronic application that enables the collection of the Fund's revenues through the mobile phone of the fee collector so that the application is linked to the Fund's management server. The collector is given limited powers to photograph the goods, calculate the amount owed and issue an electronic invoice in the form of a text message.

Recommendations

In order to implement the proposed solutions, we provide some measures to ensure the success of the solutions:

1. The Presidency of the Council of Ministers to review and correct the existing mechanism, tools and policy for the collection of local authority resources, issue the necessary circulars and instructions on work in accordance with the laws in force, indicate penalties, fines and refer to the judicial authorities for anyone who collects illegally and uses unofficial bonds, and oblige all in governorates local authority offices and units to collect according to a specific model.
2. The local authority should monitor the collection procedures, assess the effectiveness of the resource collection policy and tools, take the necessary action against irregularities, abuses and shortcomings, thereby contributing to the future avoidance of this.
3. Adopt the recycling of fee collectors, activate field oversight roles, and the mechanism for issuing and reviewing collection bonds.
4. Activate internal control in the Fund in accordance with the law.
5. Prepare monthly financial reports (on revenues) and submit them to the Fund's Board of Directors.
6. Take procedural measures to develop a follow-up and control mechanism for revenue collection that enhances the Fund's ability to meet its various obligations.
7. Emphasize the importance of continuous inspection to ensure compliance with the procedures and controls set out in these circulars and instructions as well as the issuance of a circular to all printers on the prevention of the printing of any unofficial collection bonds and the imposition on offenders of legal and criminal liability for any damage to public funds caused by the printing and illegal use of such bonds in the collection of State resources; With legal procedures in place to oblige cashiers and collectors in the main centre and branches of the directorates to provide the necessary legal safeguards.
8. The fee collection is allocation to the Fund's official staff and prevent the contractors to collect resources.

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